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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SSO-00 SS-15 NSCE-00 INRE-00 USIE-00
AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-10 FRB-03
INR-07 IO-13 NEA-10 NSAE-00 OPIC-03 SP-02 TRSE-00
LAB-04 SIL-01 AGRE-00 OMB-01 /096 W
----------014649 241756Z /42
O 241739Z SEP 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC IMMEDIATE 9225

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 27976

USOECD

PASS: E FOR COOPER, EB FOR BOEKER/MEISSNER,
EUR/RPE PASS AMBASSADOR SALZMAN

E.O. 11652: GDS
TAGS: OECD, EINV
SUBJECT: ISSUE OF OECD'S SPECIAL CONSULTANT ON INVEST-
MENT MATTERS (VOGELAAR); RELATIONSHIP TO VAN LENNEP
WASHINGTON VISIT

REF: (A) PARIS 19048; (B) STATE 153163;
(C) PARIS 20525; (D) PARIS 21238

1. SUMMART: IN LINE WITH WASHINGTON'S INSTRUCTIONS,
MISSION HAS BEEN ACTIVELY SEEKING WITH SECRETARY-GENERAL
VAN LENNEP AND HIS DEPUTIES TO RESOLVE VOGELAAR PROBLEM
IN MANNER COMPATIBLE WITH SEC-GEN'S PREROGATIVES. IN
MID-SEPTEMBER, WE WERE TOLD THE INTENTION WAS TO PHASE
OUT VOGELAAR BY END FEBRUARY. LAST WEEK, HOWEVER, SOME
HEADS OF DELEGATION (NOTABLY DUTCH AND BELGIANS), APPAR-
ENTLY MOBILIZED BY VOGELAAR, BEGAN TO QUESTION THIS
ACTION. MATTER HAS BEEN COMPLICATED BY BEING INTRODUCED
INTO INFORMAL CAUCUS OF EC PERMANENT REPS TO THE OECD.
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AS A RESULT, VAN LENNEP MAY RAISE THIS ISSUE DURING HIS
TALKS IN WASHINGTON. END SUMMARY

2. ON THE BASIS OF INSTRUCTIONS IN REFTEL B, AS SUPPLE-
MENTED BY CONVERSATIONS WITH DEPUTY ASSISTANT SECRETARIES
BOEKER AND MEISSNER, AS WELL AS RICHARD SMITH AND MICHAEL
BOERNER (EB/IFD/OIA), MISSION, IN CONVERSATIONS WITH

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YAN LENNEP, WOOTTON AND ELDIN, HAS BEEN FOLLOWING UP ON ITS LETTER TO SEC-GEN OF JULY 6 (REFS A AND B) AND MEISSNER/SMITH INITIATIVE WITH SELECTED CIME COLLEAGUES AT LUNCHEON OF JULY 8 (REF C). BECAUSE SELECTION OF STAFF IS RESPONSIBILITY OF SECRETARY-GENERAL AND IN VIEW OF VAN LENNEP'S LONG STANDING FRIENDSHIP WITH VOGELAAR, WE HAVE STRESSED THE ANOMALOUS NATURE OF VOGELAAR'S ROLE IN THE STAFF SUPPORT FOR THE INVESTMENT COMMITTEE (CIME) AND THE NEED TO REGULARIZE ORGANIZATIONAL ARRANGEMENTS TO ENSURE SMOOTH AND EFFICIENT FUNCTIONING OF THE COM-MITTEE (SEE REFTEL D). (NOTE: VOGELAAR IS A SPECIAL CONSULTANT ATTACHED TO SECRETARY-GENERAL'S OFFICE.) IT HAS BEEN CLEAR FROM OUR CONTACTS WITH THE MORE ACTIVE PARTICIPANTS IN THE CIME (GERMANY, UK, SWEDEN, SWITZER-LAND) THAT WE COULD MUSTER SUPPORT FOR A SUGGESTION FOR ORGANIZATIONAL IMPROVEMENT (WHICH WOULD HAVE THE EFFECT OF REMOVING VOGELAAR FROM LINE RESPONSIBILITY FOR THE COMMITTEE), BUT THAT SUCH SUPPORT WOULD NOT EXTEND TO ANY EFFORT "TO GET" VOGELAAR PERSONALLY. IN FACT, IN COURSE OF JULY COUNCIL DISCUSSION ON WORK PROGRAM AND BUDGET FOR CALENDAR YEAR 1978 (C/M(77)17 PROV. PART II, AUGUST 5), UK, GERMAN AND SWISS DELEGATES SPOKE OF NEED TO CENTER THE SECRETARIAT'S SUPPORT FOR THE CIME IN THE FINANCIAL AND FISCAL AFFAIRS DIRECTORATE (FFD). WE UNDERSTAND THAT SWEDES HAVE CONVEYED THE SAME VIEWPOINT PRIVATELY TO SECRETARIAT.
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3. AS A RESULT OF OUR APPROACHES AND POSITIONS OF THESE COUNTRIES, WE WERE TOLD THAT SECRETARIAT INTENDED TO PHASE OUT VOGELAAR'S RESPONSIBILITY FOR CIME BY END OF FEBRUARY, 1978. THIS WAS COMMUNICATED TO VOGELAAR WHEN HE RETURNED FROM VACATION IN MID-SEPTEMBER.
.
4. SINCE THEN, IT WOULD APPEAR THAT VOGELAAR HAS WAGED ACTIVE "COUNTER ATTACK" APPEALING TO SEC-GEN AND BUTTON-HOLING VARIOUS PERM REPS. WE ARE TOLD HE HAS BEEN ARGU-ING THAT U.S. HAS BEEN SEEKING HIS REMOVAL BECAUSE HE REPRESENTS A FORWARD-LOOKING EUROPEAN VIEW ON INVESTMENT AND MNE. HE IS PROTESTING THAT OUR REPRESENTATIONS HAVE FORCED THE SECRETARIAT TO GO BACK ON AN ORAL COM-MITMENT MADE TO HIM (APPARENTLY IN JUNE) TO RENEW HIS

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AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-10 FRB-03
INR-07 IO-13 NEA-10 NSAE-00 USIA-06 OPIC-03 SP-02
TRSE-00 LAB-04 SIL-01 AGRE-00 OMB-01 /102 W
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TO SECSTATE WASHDC IMMEDIATE 9226

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CONTRACT FOR ANOTHER TWELVE MONTHS BEGINNING SEPTEMBER 1.

5. WE WERE TOLD DUTCH PERM REP MADE INFORMAL DEMARCHE TO SEC-GEN EARLY LAST WEEK QUESTIONING WHETHER SEC-GEN WAS TERMINATING VOGELAAR'S FUNCTIONS DUE TO U.S. REPRESENTATIONS. AT DUTCH INITIATIVE MATTER WAS ALSO DISCUSSED AT INFORMAL CAUCUS OF EC PERM REPS HELD SEPTEMBER 23. INDIRECT ACCOUNTS WE HAVE HAD OF THAT MEETING ARE ESSENTIALLY TO EFFECT THAT THE BELGIAN, SUPPORTED BY /RENCH AND ITALIAN, TOOK THE POSITION THAT IT WAS THE SECRETARY-GENERAL'S PREROGATIVE TO APPOINT AND REMOVE STAFF AND THAT HIS INDEPENDENCE IN EXERCISING THIS PREROGATIVE SHOULD BE MAINTAINED. DUTCH AND BELGIAN PERM REPS CITED THE U.S. EFFORTS TO OBTAIN VOGELAAR'S REMOVAL. GERMAN APPARENTLY DID NOT INTERVENE ON BASIS THAT GIVEN THEIR CHAIRMANSHIP OF CIME, HE SHOULD STAY OUT OF THIS DISCUSSION. DUTCH PERM REP SAID U.S. WANTED TO GET RID OF VOGELAAR TO STRENGTHEN ITS "IDEOLOGICAL" POSITION IN THE COMMITTEE AGAINST A "EUROPEAN VIEW" WHICH HE DESCRIBED AS MORE FORWARD-LOOKING AND ACTIVIST. UK PERM REP IS REPORTED TO HAVE MADE ONLY HELPFUL INTERVENTIONS. HE INDICATED THAT IF IT IS IN FACT TRUE THAT THERE WAS
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AN IDEOLOGICAL SPLIT, HE WAS ON THE EUROPEAN SIDE, BUT HE SUPPORTED THE UNITED STATES IN EFFORTS TO RESOLVE WHAT HE FELT WAS A REAL PROBLEM ON THE ORGANIZATIONAL SIDE. VAN LENNEP (WHO IS INVITED TO JOIN THE EC CAUCUS

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FROM TIME TO TIME) CAME IN ON LATER STAGES OF THIS EC EXCHANGE. VAN LENNEP, WE ARE TOLD, EXPOUNDED HIS GENERAL VIEWS ABOUT THE NEED FOR ADEQUATE "HORIZONTAL" COORDINATION OF INVESTMENT ACTIVITIES THROUGHOUT THE OECD, BUT DID ACKNOWLEDGE THAT THERE WERE SOME ORGANIZATIONAL PROBLEMS WHICH HE WAS ATTEMPTING TO RESOLVE BY GIVING A KEY RESPONSIBILITY TO HACKETT (DEPUTY DIRECTOR OF FINANCIAL AND FISCAL AFFAIRS), WHO WOULD WORK WITH BOTH ELDIN AND VOGELAAR. AT THE END, OUR SOURCES TELL US, VAN LENNEP INDICATED HE WAS CONCERNED THAT THE U.S. WOULD CEASE TO PARTICIPATE ACTIVELY IN THE CIME'S WORK UNLESS THE VOGELAAR MATTER WERE RESOLVED TO ITS SATISFACTION. HE HOPED TO CLARIFY THIS MATTER DURING HIS HIGH LEVEL CONTACTS IN WASHINGTON.

6. OTHER DELEGATIONS ARE BEING APPROACHED BY VOGELAAR AND BY SOME EC PERM REPS AND SOME HAVE QUERIED US ON OUR POSITION. IN RESPONSE, WE HAVE CONSISTENTLY STRESSED THE ORGANIZATIONAL ARGUMENT. WE HAVE DENIED OUR COMPLAINT IS AGAINST VOGELAAR'S VIEWS, BUT IS RATHER AGAINST HIS IRRESPONSIBLE ACTIONS CONTRARY TO CIME CONSENSUS. WE HAVE SPOKEN OF THE NEED TO ASSURE EFFICIENCY OF SUPPORT STAFF AND TO RESTORE CONFIDENCE THROUGH CLEAR-CUT ORGANIZATIONAL ARRANGEMENT WHICH SHOULD BE IMPLEMENTED EARLY IN THE 1978 BUDGET (CALENDAR) YEAR. (WE HAVE INFORMALLY AGREED WITH WOOTTON THAT END-FEBRUARY WOULD BE ACCEPTABLE, A MORE REALISTIC TARGET THAN OCTOBER DATE SUGGESTED BY DEPARTMENT IN REF B.) THESE ORGANIZATIONAL ARRANGEMENTS SHOULD PLACE LINE RESPONSIBILITY
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SQUARELY IN THE FINANCIAL AND FISCAL AFFAIRS DIRECTORATE AND, ANY "HORIZONTAL" COORDINATION WITH OTHER OECD ACTIVITIES COULD BE ASSURED THROUGH ELDIN.

7. ACTION REQUESTED: WE WOULD APPRECIATE BEING INFORMED ASAP OF ANY CONVERSATION VAN LENNEP MAY HAVE ON THE VOGELAAR ISSUE IN WASHINGTON SO THAT MISSION CAN CONTINUE TO RESPOND IN TIMELY FASHION TO ANTICIPATED QUERIES OF OTHER DELS WITH A POSITION COMPLETELY CONSISTENT WITH THAT TAKEN IN WASHINGTON.
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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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